

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 9, 2007**

**TO:** Honorable Phil King, Chair, House Committee on Regulated Industries

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB1749** by Morrison (Relating to the authority of political subdivisions to negotiate contracts for electricity.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend the Local Government Code to authorize political subdivisions and political subdivision corporations to negotiate a contract for electricity for a term not to exceed 30 years. A political subdivision that enters into a contract for electricity would not be required to submit the contract to a state public official for review and approval, but may submit the contract for review and approval if authorized by law.

**Local Government Impact**

Fiscal impact would vary by political subdivision and would depend on the terms the political subdivisions would agree upon in the contract. It is anticipated that a contract would be negotiated and entered into only if the entities were to determine the contract was of benefit and was budgeted.

**Source Agencies:**

**LBB Staff:** JOB, JRO, DB